BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2009-226-E

In re: Application of Duke Energy Carolinas, LLC For Authority to Adjust and Increase Its Electric Rates and Charges	)	**POST-HEARING BRIEF OF DUKE ENERGY CAROLINAS**

On July 27, 2009, Duke Energy Carolinas, LLC ("Duke Energy Carolinas" or the "Company") filed an Application (the "Application") with the Public Service Commission of South Carolina (the "Commission") requesting authority to adjust and increase its electric rates, charges, and tariffs, and to approve the proposed mechanism to compensate the Company for the energy efficiency programs approved in Docket No. 2009-166-E, Order No. 2009-336. On November 24, 2009, the South Carolina Office of Regulatory Staff ("ORS"), on behalf of the Company, ORS, and the Environmental Intervenors[1] (the "Settling Parties"), filed an Explanatory Brief and Joint Motion for Approval of Partial Settlement[2] and Adoption of Settlement Agreement[3] (the

[1] The Environmental Intervenors include the Southern Alliance for Clean Energy, the Southern Environmental Law Center, the Natural Resources Defense Council, Environmental Defense Fund, and the South Carolina Coastal Conservation League.

[2] The Parties to the Settlement Agreement have resolved all issues.

[3] The Environmental Intervenors are joining the Settlement Agreement for the purpose of endorsing and supporting Duke Energy Carolinas' modified save-a-watt program. The Environmental Intervenors are taking no position in this proceeding with regard to the remaining terms of the Settlement Agreement.

"Settlement" or the "Settlement Agreement"). The hearing on the Application was held before the Commission on November 30, 2009 through December 2, 2009.

Pursuant to 26 S.C. Code Regs. 103-851, Duke Energy Carolinas submits this Post-Hearing Brief to address the legal issues involved with the timing of the proposed rate increase and with the modified save-a-watt proposal. As demonstrated below, the Application as modified by the Settlement Agreement is in the public interest and meets the requirements of South Carolina law and the Commission's rules, and thus should be approved.

I. TIMING OF THE PROPOSED RATE INCREASE

As a regulated electric utility operating in South Carolina, Duke Energy Carolinas has a legal obligation to meet the needs of the customers in its service area and it is lawfully entitled to a just and reasonable return on its capital reasonably deployed to meet those needs. The South Carolina General Assembly adopted an integrated resource planning process in 1992 that codified some aspects of the traditional "regulatory compact" between utilities and the State of South Carolina. *See* S.C. Code Ann. §§58-37-10 *et seq*. Under the integrated resource planning process, the Commission was given greater oversight responsibility over the development by electric utilities of plans to serve the future needs of their service areas. The process includes regular reports by the Company on its projection of the future needs of its service area and its efforts to plan to meet those needs while maintaining an appropriate reserve margin. As discussed below, an electric utility that meets these planning and reporting requirements is entitled to rates sufficient to earn a reasonable return on its investments to serve its customers.

The integrated resource planning process fits well with the traditional legal structure that governs the regulation of utilities by this Commission. The Commission has consistently recognized that its regulation of electric utilities must be consistent with the principles outlined by the United States Supreme Court in *Bluefield Water Works v. Public Service Commission of West Virginia*, 262 U.S. 679 (1923) and *Federal Power Commission v. Hope Natural Gas Co.*, 320 U.S. 591 (1944). These standards were adopted by the South Carolina Supreme Court in *Southern Bell Telephone & Telegraph Co. v. South Carolina Public Service Commission*, 244 S.E.2d 278, 281 (S.C. 1978).

> What annual rate will constitute just compensation depends upon many circumstances, and must be determined by the exercise of a fair and enlightened judgment, having regard to all relevant facts. A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in **t**he same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties; but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties.

262 U.S. at 692-693, as quoted in *Southern Bell Telephone,* 244 S.E.2d at 281.

These cases also establish that the process of determining rates of return requires the exercise of informed judgment by the Commission. As the South Carolina Supreme Court has held:

> Its ratemaking function, moreover, involves the making of 'pragmatic adjustments'. . . . Under the statutory standard of 'just and reasonable' it is the result reached not the method employed which is controlling. . . . The ratemaking process under the Act, i.e., the fixing of 'just and reasonable' rates, involves the balancing of the investor and the consumer interests. Thus we stated in the Natural Gas Pipeline Co. case that 'regulation does not insure [sic] that the business shall produce net revenues.' . . . But such

> considerations aside, the investor interest has a legitimate concern with the financial integrity of the company whose rates are being regulated. From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on debt and dividends on the stock. . . . By that standard the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital.

Southern Bell Telephone, 244 S.E.2d at 281.

These principles have been employed by the Commission and the South Carolina Courts consistently and recognize that the due process clause of the Fourteenth Amendment to the U.S. Constitution requires that a public utility be allowed rates sufficient to earn a reasonable return on its rate base. When a utility invests in expanding its access to sources of electricity in a manner consistent with its integrated resources plan submitted to the Commission, it is entitled to a reasonable return on that investment. As part of this rate proceeding, Duke Energy Carolinas has presented undisputed evidence that it has properly and carefully invested to meet its obligations. Although the timing of the proposed rate increase may be unfortunate for some of the Company's customers, that is not an appropriate basis for refusing to allow the Company to earn a reasonable return.

A. The Efforts of Duke Energy Carolinas to Avoid a Rate Increase

The concerns over the timing of the rate increase must be balanced by a recognition of the Company's efforts to keep its rates low. This is the first application seeking an increase in general rates that Duke Energy Carolinas has filed since 1991. During that time the Company has added approximately $12 billion to its gross plant in

service. *(Tr. Vol. 4, p. 327-328).* The current rates of Duke Energy Carolinas are 37% below the national average and 31% below the South Atlantic regional average. If the Commission accepts the Settlement proposed by all parties except the Green Party, the Company's rates still will be significantly lower than other South Carolina investor-owned utilities and much lower than the rates approved in 1991 adjusted for inflation. *(Tr. Vol. 4, p. 329 – 330 & Hearing Exhibits 6 & 16).* Duke Energy Carolinas also has taken significant steps to mitigate the impact of rate increases on its customers in specific recognition of the difficulties caused by the recession. Although the testimony of Dr. Vander Weide supported a return on equity of 12.3%, the Company only requested a return of 11.5% when it filed the case. In addition, as part of a comprehensive settlement, the Company agreed to rates being set at a level to produce a return on equity of 10.7%, again in recognition of the difficult circumstances facing its customers at this time. Several other elements of the Settlement reduce the impact of the rate increase on customers including accelerating the return to customers of the balance in the deferral account for energy efficiency and demand-side management programs ("DSM balance") and the credit to customers of $26,000,000 from the Nuclear Electric Insurance Limited ("NEIL") regulatory liability account. *(Hearing Exhibit 1, Settlement Agreement, p. 6-7).* The rate increase impact also is reduced by several accounting adjustments agreed to as part of the Settlement, including eliminating the Company's proposed inflation adjustment, eliminating a portion of bonuses from incentive plan expenses, and the elimination of other operating and maintenance expenses associated with donations, lobbying expenses, and others suggested by ORS. (*Tr. Vol. 5, p. 1086, 1088, 1105 & Hearing Exhibit 1, Settlement Agreement, Attachment A).* The full record in this case

demonstrates that Duke Energy Carolinas has fully met its responsibilities to the citizens of South Carolina by being a good steward of its resources. That good stewardship allowed the Company to provide excellent service to its customers for over 18 years without asking for an increase in general rates and it has allowed the Company to reduce its request for an increase as set out in the Settlement.

B. Rejection of the Rate Increase Would Cause a Greater, More Dramatic Increase Later

If the Company's present request for a rate increase is denied or delayed, the result will be a larger increase in the future with greater rate shock when rate increases do occur. As outlined in the testimony of witnesses Turner and Shrum, a substantial portion of the rate increase being sought by the Company in this case is for recovery of Construction Work in Progress ("CWIP") related to the Cliffside expansion. *(Tr. Vol. 4, p. 339-340, 381-382 & Tr. Vol. 5, p. 871).* Recovery of CWIP during the construction of generation resources has been repeatedly approved by this Commission as being beneficial to customers in the long run. In Order No. 93-465 in Docket No. 92-619-E, the Commission explained the benefits of this treatment in connection with the Cope generating plant of South Carolina Electric & Gas Company, noting that including CWIP in rate base without Allowance for Funds Used During Construction ("AFUDC") income offset creates multiple benefits for the Company and its customers. It reduces total costs to the construction projects by reducing the amount of carrying costs booked to them in the form of AFUDC. When CWIP is allowed without AFUDC offset, the result is that customers begin paying part of the financing cost of the project while construction is ongoing. As a result of the pay as you go approach, when the plant is completed and added to the rate base the total costs are greatly reduced. For this reason, where CWIP is

allowed, rates upon completion of the plant are not as high as they would have been had CWIP not been included and had full AFUDC costs during construction been added to the final cost of construction. Allowance of CWIP without AFUDC offset creates a number of other benefits for utility customers. Namely, it also minimizes rate shock and sends better pricing signals to customers during the construction phase. Order No. 93-465, p. 39-40.

This reasoning from Order 93-465 applies with equal force to the present Application of Duke Energy Carolinas. Approving a reasonable increase now will result in lower future rates to customers and will avoid the substantial rate shock they would otherwise experience. The Commission's wise resolution of this issue in the past has been beneficial to generations of South Carolina ratepayers. Similar treatment will be beneficial to the customers of Duke Energy Carolinas.

The rejection of the requested rate increase also may impact the Company's access to and cost of capital, which could result in a larger increase later. Duke Energy Carolinas faces substantial capital needs over the next several years to satisfy environmental and other regulatory requirements; refurbish, replace, and upgrade aging infrastructure; construct or acquire needed generation resources; and invest greater amounts in energy efficiency. The Company's capital requirements are projected to be approximately $8.6 billion during the period 2009-2011. (*Tr. Vol. 4, p.487).*

A utility's credit rating has a significant impact on whether the utility will be able to raise capital on a timely basis and upon reasonable terms. A utility with a strong credit rating is able to access the capital markets on a more timely basis at reasonable rates and is able to share the benefit from those attractive interest rate levels with customers

because the Company's cost of capital is factored into utility rates. (*Tr. Vol. 5, p. 627-628).* Regulation is a key factor in assessing the credit profile of a utility because the state public service commissions determine rate levels and the terms and conditions of service. Before major investors will be willing to put forward substantial sums of money, they want to gain comfort that regulators understand the economic requirements and the financial and operational risks of a rapidly changing industry, and that their decision-making will be fair and will have a significant degree of predictability. For these reasons, rating agencies look for the consistent application of sound economic regulatory principles by the commissions. If a regulatory body were to encourage a company to make investments based on an expectation of the opportunity to earn a reasonable return, and then did not apply regulatory principles in a manner consistent with such expectations, investor interest in providing funds to the utility would decline, debt ratings would likely suffer, and the utility's cost of capital would increase. (*Tr. Vol. 5, p. 629-630).*

As Company witness DeMay indicated, if Duke Energy Carolinas' rate request were denied, the signaling effect of that would be quite significant. Even if the rating agencies did not change the rating, they could change the outlook on the Duke Energy Carolinas' credit rating. If the rating agencies did not change the outlook, they would be watching for any additional deterioration in the qualitative factors used to assess credit quality. Such a move would not bode well for the Company's ability to obtain financing in the capital markets. (*Tr. Vol. 4, p. 503-505).* Maintaining a strong capital structure with a sufficient return on equity helps to ensure safer returns to debt holders, which translates into higher credit quality, allowing Duke Energy Carolinas the financial

flexibility to attract capital from debt and equity markets as needed at reasonable rates. (*Tr. Vol. 4, p. 489-490).*

II. MODIFIED SAVE-A-WATT PROPOSAL

The modified "save-a-watt" proposal is a ratemaking model with a compensation formula that places a value, and therefore a price, upon energy efficiency. This price creates an incentive for the utility to pursue energy efficiency in a deliberate and sustained manner by allowing the utility an opportunity to earn a return on, and develop revenues from, successful energy efficiency and demand-side management programs. The Settlement Agreement provides for approval of a rider designed to collect sufficient revenues to cover the Company's energy efficiency and demand-side management program costs, lost margins, and an incentive, including the program costs deferred pursuant to Order No. 2009-336 in Docket No. 2009-166-E ("Rider EE").

When the South Carolina General Assembly adopted the S.C. Energy Efficiency Act it declared that the policy of this State is to have a "comprehensive state energy plan that maximizes to the extent practical environmental quality and energy conservation and efficiency.…" S.C. Code Ann. § 48-52-210 (Supp. 2009). Part of the S.C. Energy Efficiency Act enables the Commission to adopt procedures to encourage electrical utilities to invest in cost-effective energy efficient technologies and energy conservation programs. S.C. Code Ann. § 58-37-20 (Supp. 2009).

These procedures must provide incentives and cost recovery for energy suppliers who invest in energy supply and end-use technologies that are cost-effective, environmentally acceptable, and reduce energy consumption or demand. S.C. Code Ann. § 58-37-20 (Supp. 2009). The modified save-a-watt mechanism is based, in part, on

avoided capacity and energy costs obtained from the MWh and MW savings achieved through the implementation of energy efficiency and demand-side management programs. *(Tr. Vol. 6, p. 1269).*

Under the S.C. Energy Efficiency Act, procedures adopted by the Commission to encourage energy efficiency must allow energy suppliers (1) to recover costs, and (2) to obtain a reasonable rate of return on their investment in qualified energy efficiency and demand-side management programs that is at least as financially attractive as the return from the construction of new facilities. S.C. Code Ann. § 58-37-20 (Supp. 2009). Specifically, the Act states:

> The South Carolina Public Service Commission may adopt procedures that encourage electrical utilities and public utilities providing gas services subject to the jurisdiction of the commission to invest in cost-effective energy efficient technologies and energy conservation programs. If adopted, these procedures must: provide incentives and cost recovery for energy suppliers and distributors who invest in energy supply and end-use technologies that are cost-effective, environmentally acceptable, and reduce energy consumption or demand; allow energy suppliers and distributors to recover costs and obtain a reasonable rate of return on their investment in qualified demand-side management programs sufficient to make these programs at least as financially attractive as construction of new generating facilities; *require the Public Service Commission to establish rates and charges that ensure that the net income of an electrical or gas utility regulated by the commission after implementation of specific cost-effective energy conservation measures is at least as high as the net income would have been if the energy conservation measures had not been implemented.* For purposes of this section only, the term "demand-side activity" means a program conducted by an electrical utility or public utility providing gas services for the reduction or more efficient use of energy requirements of the utility or its customers including, but not limited to, utility transmission and distribution system efficiency, customer conservation and efficiency, load management, cogeneration and renewable energy technologies. (Emphasis added).

Pursuant to the S.C. Energy Efficiency Act, the procedures must establish rates and charges that ensure that the net income after implementation of specific cost-effective

energy conservation measures is at least as high as it would have been if the measures had not been implemented. S.C. Code Ann. § 58-37-20 (Supp. 2009). The modified save-a-watt approach encourages all cost-effective energy efficiency at a cost to customers that is lower than supply-side alternatives and provides the Company with an opportunity to achieve comparable net income. Accordingly, the modified save-a-watt approach is consistent with the language and intent of the S.C. Energy Efficiency Act.

In Order No. 2009-109, Docket No. 2007-358-E, the Commission denied the Company's original save-a-watt proposal. Each of the issues raised by the Commission in its order has been addressed in the modified save-a-watt proposal as discussed below.

A. Transparency

The Company's modified save-a-watt proposal provides greater transparency than the original proposal in several ways. One of the Commission's reasons for denying the original application was that:

> [T]he proposed program's complexity results in a lack of transparency to customers and regulators. The resulting difficulty in explaining a utility's program to the public is contrary to traditional regulatory principles. The underlying data used in calculating Duke's PURPA avoided costs is confidential, which only adds to the program's complexity and lack of transparency. Customers should understand how much they will pay for energy efficiency programs and why.

Order No. 2009-109, p. 4-5.

First, the modified save-a-watt proposal provides greater transparency because the Company will recover lost margins separately from the percentage of avoided cost payment. The Company also separated the components of the overall cost recovery in the revenue requirement that the customers will pay and included a cap on earnings. *(Tr. Vol. 6, p. 1247-1248).* Because lost margins are collected separately and the revenue

components were separated, revenue recovery will be more explicit and the Company will be compensated on the basis of a lower percentage of avoided cost for energy efficiency and demand-side management programs. *(Tr. Vol. 6, p. 1193-1194).*

In addition, Duke Energy Carolinas simplified the Rider EE tariff sheet, which describes the basic cost recovery methodology and the resulting Rider amounts in more general terms resulting in a more user-friendly format. The simplified tariff sheet allows customers to see that they are paying for a lost revenue component and an avoided cost component. The tariff sheet also explains the estimates, true-ups, and earnings cap. *(Tr. Vol. 5, p. 829 & 843 & Vol. 6, p. 1252).*

The Settlement provides additional safeguards to address transparency of the modified save-a-watt proposal. Under the Settlement Agreement, ORS will hire an independent third party consultant pursuant to S.C. Code Ann. § 58-4-100 to provide independent oversight of the save-a-watt mechanism for each vintage year, which will include, but not be limited to, evaluation, measurement, and verification ("EM&V") and avoided cost savings calculations. Additionally, Duke Energy Carolinas agreed to provide the actual hourly avoided costs calculated from the avoided costs model in a manner that can be reviewed and verified by an independent third party in advance of implementation of the Rider EE compensation mechanism. The EM&V activity includes verification of calculations all the way through final avoided costs, rather than just verification of achieved energy and demand savings. (*Tr. Vol. 6, p. 1300-1301 & Hearing Exhibit 1, Settlement Agreement, p. 11).*

As a result of these changes, the modified save-a-watt proposal provides greater benefits to consumers than the original plan and greater transparency.

B. Earnings Cap

The modified save-a-watt proposal also addresses the Commission's concern about the level of earnings in the original proposal. In Order No. 2009-109 the Commission noted that:

> [Save-a-watt] does not limit the actual rate of return that the company could earn on an energy efficiency program. The possibility exists that Duke will earn an unreasonably high profit on at least some of its energy efficiency and demand side management programs. In some cases, the profits could exceed 100% of Duke's costs. While Duke's witnesses insisted that such a scenario was not likely, they could not convincingly deny its possibility.

Order No. 2009-109, p. 5.

Duke Energy Carolinas' modified save-a-watt plan addresses this concern with performance targets and earnings caps. Under the modified save-a-watt approach, the Company is eligible to receive a higher level of incentive based on how well it performs. In addition, Duke Energy Carolinas' earnings opportunity is capped and is tied to the percentage of the target energy and capacity savings achieved. (*Tr. Vol. 6, p. 1193).* The original save-a-watt proposal contained neither performance targets nor earnings caps. In addition, the Company proposes substantially increased energy efficiency results. The savings proposed in this proceeding represent a 59% increase in projected energy savings over the original filing. (*Tr. Vol. 6, p. 1195).* The tiered earnings caps are based upon varying levels of performance. (*Tr. Vol. 6, p. 1195 & 1198).*

As Environmental Intervenors witness Wilson testified, the earnings cap addresses their concern that the original save-a-watt proposal could result in an unreasonable level of earnings. The performance-based earnings cap limits the Company's maximum earnings to reasonable levels tied to performance. (*Tr. Vol. 6, p.*

1319-1320). This tiered approach to earnings provides a strong incentive to achieve high levels of energy efficiency as rapidly as possible. The more successful the Company is in achieving energy savings, the greater its earnings opportunity becomes. (*Tr. Vol. 6, p. 1322).*

C. Save-a-watt Programs

The modified save-a-watt proposal also addresses the Commission's concern about the level of input on save-a-watt programs. In Order No. 2009-109 the Commission indicated that:

> The [save-a-watt] program does not give the Commission, ORS, or other parties sufficient input into the selection, implementation, balancing of, and possible cancellation of programs.

Order No. 2009-109, p. 5.

Duke Energy Carolinas' modified save-a-watt plan addresses this concern by enhancing its stakeholder engagement process. The Company proposed establishing a Regional Advisory Committee ("Advisory Group") for the four year term of the modified save-a-watt plan. The Advisory Group's role would be to collaborate on new program ideas, review modifications to existing programs, ensure greater public understanding of the programs and funding, review the measurement and verification process, and collaborate on new program ideas and review changes to existing programs. (*Tr. Vol. 6, p. 1193 & 1203-1204).* This strong stakeholder Advisory Group is one aspect of the modified save-a-watt proposal that was important to the Environmental Intervenors. (*Tr. Vol. 6, p. 1329-1330).*

The increased level of input by stakeholders as part of the Advisory Group and the independent oversight by ORS address the Commission's concerns regarding input into the Company's energy efficiency and demand-side management programs.

D. Save-a-watt Model Oversight

Finally, the modifications to the save-a-watt proposal contained in the Company's direct testimony and the Settlement Agreement have established sufficient safeguards to address the following Commission concerns from Docket No. 2007-358-E:

> The settlement agreement lacks sufficient safeguards against the above-listed problems. It would be very difficult to conduct a meaningful review of the [save-a-watt] programs two years from now, as many of the proposed energy efficiency programs will have a horizon that is much longer than two years. Although up front expenditures will already have been made, and customers will be paying for these programs, it will be difficult to verify the success of these programs, let alone terminate them, two years from now.

Order No. 2009-109, p. 5.

The Company addresses these concerns through the independent oversight and review by the ORS consultant according to the terms of the Settlement Agreement as discussed above. The Company's agreement that ORS will hire an independent consultant to provide additional oversight to the EM&V process, and to provide certain avoided cost data to the consultant in advance of rider implementation is intended to provide the benefit of greater transparency of the save-a-watt proposal. Thus, under the Settlement, oversight of the Company's programs and EM&V results will be ongoing.

In addition, the Settlement provides for a mid-term EM&V-based true-up process rather than a single true-up in year 6. The mid-term EM&V true-up will be reflected in Vintage Year 3 Rider EE collections. The final EM&V true-up in year 6 will incorporate

all EM&V studies on net-to-gross results and measure-level savings completed since the mid-term EM&V true-up**.** *(Hearing Exhibit 1, Settlement Agreement p. 13).* The Settling Parties agreed that the EM&V activity should include verification of calculations through the determination of final avoided costs, rather than simply verification of achieved energy and capacity savings. (*Tr. Vol. 6, p. 1300-1301).* The mid-term and final EM&V true-ups will help to minimize the risk to customers of over- or under-collection of Rider EE revenue requirements. (*Tr. Vol. 5, p. 844).*

In summary, the modified save-a-watt plan encourages investments in cost-effective energy efficient technologies and energy conservation programs by electric utilities as envisioned by the S.C. Energy Efficiency Act. The Company's modified plan addresses the Commission's concerns and allows it to implement a viable, understandable, transparent, and cost-effective energy efficiency program.

III. CONCLUSION

The Settlement reflects a constructive approach to providing necessary rate relief that will allow Duke Energy Carolinas to maintain its financial strength and credit quality and continue to provide high quality electric utility service to its customers. At the same time, the Settlement mitigates the impact of the increase on customers during the current recession. As a regulated utility, Duke Energy Carolinas has an obligation to serve its customers and cannot cut back operations or planning in tough economic times. Approval of the proposed Settlement by the Commission will appropriately recognize the substantial steps taken by the Company to meet its electric service obligations in a prudent manner, thus fulfilling the regulatory compact and mitigating against greater rate increase to customers in the future.

In addition, the modified save-a-watt proposal addresses the concerns raised by the Commission in Order No. 2009-109. The Settlement Agreement's provisions relating to the modified save-a-watt plan ensure an appropriate financial incentive to the Company consistent with the S.C. Energy Efficiency Act to pursue and promote all cost-effective energy efficiency and demand-side management programs.

For the reasons set forth above, Duke Energy Carolinas respectfully submits that the Settlement is in the public interest and should be approved by the Commission.

Dated this 8 day of January, 2009.

Catherine E. Heigel, Associate General Counsel
Lara Simmons Nichols, Associate General Counsel
Duke Energy Carolinas, LLC
P. O. Box 1066 (EC03T)
Charlotte, North Carolina 28201-1066
Telephone (704) 382-8123
Catherine.Heigel@duke-energy.com
Lara.Nichols@duke-energy.com

and

Frank R. Ellerbe, III
Bonnie D. Shealy
Robinson McFadden & Moore, PC
Post Office Box 944
Columbia, South Carolina 29202
Telephone (803) 779-8900
FEllerbe@Robinsonlaw.com
BShealy@Robinsonlaw.com

Attorneys for Duke Energy Carolinas, LLC